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**1991-92
ANNUAL
REPORT**

**ALBERTA
DAIRY
CONTROL
BOARD**

Alberta
AGRICULTURE

ANNUAL REPORT
of the
ALBERTA DAIRY CONTROL BOARD
for the fiscal year
ending March 31, 1992



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CHAIRMAN'S MESSAGE

This annual report of the Alberta Dairy Control Board covers the activities for the fiscal year ended March 31, 1992. It provides information on the Board's mandate, highlights primary activities and includes the financial statements prepared by the Provincial Auditor General, along with considerable dairy industry statistical data. We hope readers find this report informative and useful.

The past year proved to be eventful for the dairy industry, both at the provincial and national levels. I would like to extend my appreciation to the dedicated and hard-working members of the Alberta Dairy Control Board. Their commitment to fostering an environment of cooperation between industry and government provides an atmosphere in which change is more easily managed and policy direction can be determined for an improved and stronger dairy industry.

The Board acknowledges the considerable effort of the Honourable Ernie Isley, Minister of Agriculture, who works closely with the Board to provide government support for a stronger dairy industry.

On behalf of the Board, I convey a hearty thank you to the management and staff of the Dairy Control Board, as well as my sincerest appreciation for their dedication and commitment to the dairy industry.

During the past year, much concern was articulated and analysis was conducted regarding the possible outcome of the General Agreement on Tariffs and Trade (GATT) negotiations and their potential impact on the Alberta dairy industry. We are hopeful that a successful agreement on agricultural issues may be reached between European Community and the United States; such agreement could lead to a conclusion of the GATT negotiations in 1992.

After many months of negotiations at the national level, a skim-off agreement was reached by the provincial committees and signatories to the National Milk Marketing Plan. The agreement recognizes the responsibility for the extra butterfat that flows from fluid production and replaces industrial production under market share quota. A new all-milk levy will be implemented over the next three years; fluid producers will be responsible for their incremental skim-off.

The continued consumer preference for lower-fat dairy products presents a significant challenge to the dairy industry, particularly to the holders of market share quota. The market share quota was cut by 5.7 percent during the year. A production cut of this magnitude seriously impacts on cash flow for producers and processors. Until consumer demand for low-fat products levels off, we have a constant reminder that one of the pillars of supply management is matching production to domestic requirement.

The market for Alberta cheese producers remains strong; as evidence of this market strength is found in the expansion and modernization of the plants of several processors.

On the recommendation of the Alberta Dairy Control Board, the Government of Alberta's Executive Council approved two Orders-In-Council that further deregulated fluid milk marketing. The province no longer sets the minimum price for milk that may be charged by retailers, nor does it approve the size and type of containers. In recent months, we have witnessed new and aggressive retail marketing techniques aimed at capturing the consumer dollar and market share. These changes, in part, contributed to increased fluid milk sales in Alberta at a time when other provinces showed per capita consumption declines.

The spring and fall producer meetings throughout the province were well attended. Numerous suggestions and requests, in many cases from new producers, were fully addressed in the monthly newsletter; articles included subjects such as quota exchanges, the national skim-off agreement, utilization of Alberta's milk production and the cost to producers for the operation of the Alberta Dairy Control Board, as well as other agencies. Each of the articles received good feedback and positive encouragement to continue this activity. A strong need exists for more information about the Alberta Dairy Control Board and dairy-related operations.

The Alberta Dairy Control Board appointed two producer representatives to the Dairy Control Board Policy Advisory Committee: Peter Schuld and Klaas Slomp, President and Vice-President, respectively, of the Alberta Milk Producers' Society. We extend our appreciation to John Killoran and Lawrence Tomalty for their wise counsel and dedicated service to this Committee.

In closing, we express our sincere appreciation to members of the Policy Advisory Committee, Alberta Milk Producers' Society, cooperative producer associations, Alberta Dairy Association, Alberta Agriculture staff, producers and processors for their valuable assistance to Dairy Board members and staff.

The Dairy Control Board, in its present and unique structure has met its challenge under the Dairy Board Act for over two decades. We are committed to providing the best possible service by working with industry stakeholders, consumers and government for a strong Alberta dairy industry.

James P. Heron, Chairman
Alberta Dairy Control Board

ALBERTA DAIRY CONTROL BOARD

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ALBERTA DAIRY CONTROL BOARD

PAST CHAIRMEN

Stewart Thomas	1968 - 1977
Jim Gylander	1977 - 1983
Mike Dordevic	1984 - 1989

BOARD MEMBERS

James P. Heron	Chairman	Spruce Grove
Lucille Dougerty	Member	High River
Thor Andreassen	Member	Stony Plain
James Hunter	Member	Medicine Hat
Terry Murray	Member	Wainwright
Lloyd Johnston	Secretary-Manager	Wetaskiwin

Expenditures also include honorarium and expenses paid to producer members of Alberta Milk Producers' Society and Northern Alberta Dairy Pool Ltd. who participated in Canadian Milk Supply Management Committee meetings. In addition, some members of the Policy Advisory Committee of the Board claimed honorarium and expenses while serving on committee business.

The Board increased the frequency and detail of producer and processor audits. General office and salary expenditures increased as a result. A one time relocation cost accounts for the majority of the increase. We are confident that these activities will be cost effective and serve the industry interests.

Interprovincial movement of Class I milk products were approved by the Board. The Board proposed a model to Saskatchewan and British Columbia that would guarantee equitable treatment of producers. Some products including UHT milk, cream and some specific milk packages are moving across provincial boundaries.

The Board adopted a new levy system in response to decisions made by the Canadian Dairy Commission. A three-tiered market share quota (MSQ) levy system was implemented. During the 1991-92 dairy year, producers were permitted the

choice of delivering into the sleeve and thus paying the higher levy. Over-quota levies collected during the 1990-91 dairy year were refunded; they totalled \$1,351,712. During the 1991-92 dairy year, the over-quota levies will be held to reduce the next year's in-quota levy rate. In addition to the levies on market share quota, a milk levy was instituted that recognizes the three-year transition from MSQ levies to levies on all milk deliveries and skim-off responsibilities of each producer.

Support prices for industrial milk increased \$1.23 per hectolitre (hL) effective August 1, 1992. The Board passed the increase through to producers by adjusting the price of all industrial milk classes. Class I milk price declined from \$54.99 per hL to \$54.01 per hL effective January 15, 1992.

A modest increase in milk and cream consumption of 1.5 percent alleviated some pressure on over-production.

Sales of low-fat products, including skim, 1% and 2% milk, represented 76.7 percent of total milk sales, a 1.4 percent increase over the previous year.

The number of producers decreased, continuing the long-term decline. As of March 31, 1992, there were 1333 milk and 307 cream producers. Despite a 9.8 percent decline in the numbers, production during the dairy year exceeds quota issued by 5.0 percent.



ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Members of the
Alberta Dairy Control Board

I have audited the balance sheet of the Alberta Dairy Control Board as at March 31, 1992 and the statement of revenue, expenditure and retained earnings for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
May 29, 1992

ALBERTA DAIRY CONTROL BOARD

BALANCE SHEET

AS AT MARCH 31, 1992

	<u>1992</u>	<u>1991</u>
<u>ASSETS</u>		
Operating:		
Current:		
Cash	\$1,045,717	\$1,300,903
Due from processors and producers (Note 4)	925,448	565,892
Prepaid expenses	<u>-</u>	<u>753</u>
	<u>1,971,165</u>	<u>1,867,548</u>
Capital assets (Note 5)	<u>91,020</u>	<u>43,376</u>
Equipment under capital lease (Note 6)	<u>5,100</u>	<u>7,308</u>
Trust: (Note 7)		
Cash	238,722	345,287
Due from processors and producers (Note 4)	<u>1,176,005</u>	<u>1,243,366</u>
	<u>1,414,727</u>	<u>1,588,653</u>
	<u>\$3,482,012</u>	<u>\$3,506,885</u>
<u>LIABILITIES AND RETAINED EARNINGS</u>		
Operating:		
Due to processors and producers (Note 8)	\$ 893,480	\$ 825,470
Due to Province of Alberta	99,307	67,858
Current portion of obligation under capital lease (Note 9)	<u>2,405</u>	<u>1,930</u>
	995,192	895,258
Obligation under capital lease (Note 9)	3,958	6,364
Retained earnings	1,053,363	1,002,290
Quota exchange reserve (Note 10)	<u>14,772</u>	<u>14,320</u>
	2,067,285	1,918,232
Trust liabilities (Note 7)	<u>1,414,727</u>	<u>1,588,653</u>
	<u>\$3,482,012</u>	<u>\$3,506,885</u>

The accompanying notes are part
of these financial statements.

ALBERTA DAIRY CONTROL BOARD

STATEMENT OF REVENUE, EXPENDITURE AND RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 1992

	<u>1992</u>	<u>1991</u>
<u>REVENUE</u>		
Producer assessments	\$ 404,768	\$ 391,288
Government contribution to administration costs (Note 10)	170,794	160,076
Processor assessments	165,902	120,326
Quota exchange transfers	452	14,320
Service charges	<u>-</u>	<u>1,932</u>
	<u>741,916</u>	<u>687,942</u>
<u>EXPENDITURE</u>		
Salaries and employee benefits	460,825	444,753
Travel and Board fees	106,986	91,548
General office	42,504	27,974
Grants	33,139	34,156
Data processing	26,538	34,727
Amortization	17,403	3,260
Data processing equipment and software	<u>2,996</u>	<u>-</u>
	<u>690,391</u>	<u>636,418</u>
Excess of revenue over expenditure for the year	51,525	51,524
Appropriation to quota exchange reserve	<u>452</u>	<u>14,320</u>
	<u>51,073</u>	<u>37,204</u>
Retained earnings at beginning of year before restatement	993,338	965,086
Adjustment for changes in accounting policy (Note 3)	<u>8,952</u>	<u>-</u>
Retained earnings at beginning of year after restatement	<u>1,002,290</u>	<u>965,086</u>
Retained earnings at end of year	<u>\$ 1,053,363</u>	<u>\$ 1,002,290</u>

ALBERTA DAIRY CONTROL BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1992

Note 1 Authority

The Alberta Dairy Control Board operates under the authority of the Dairy Board Act, Chapter D-1, Revised Statutes of Alberta 1980, as amended.

Note 2 Accounting Policies

Amortization

Capital assets are amortized on a straight-line basis at the following annual rates:

Office furniture and equipment	3 years
Communication equipment	3 years
Software development	5 years
Computer hardware and equipment	5 years

Equipment acquired under a capital lease is amortized on a straight-line basis over the term of the lease.

Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Changes in Accounting Policy

(a) Government Contribution

The Board has changed the way it accounts for expenditure. Under the new policy, expenditure is reported gross and the government contribution to administration costs is reported as revenue. Previously, expenditure was reported net of the government contribution.

This change also affects the capital assets reported on the balance sheet. These assets are now reported at their full cost. Previously, they were reported net of the government contribution.

Note 3 Changes in Accounting Policy (continued)

(b) Capital Leases

The Board has changed the way it accounts for leased equipment. Under the new policy, assets acquired under capital leases are disclosed separately on the balance sheet and the related lease obligations are reflected as liabilities.

Previously, lease payments were charged to expenditure, and were not reported on the balance sheet.

These changes in accounting policy have been applied retroactively, which necessitated the following restatements of the 1991 comparative figures.

	As Previously <u>Reported</u>	<u>Adjustment</u>	As <u>Restated</u>
Capital assets	\$ 33,438	\$ 9,938	\$ 43,376
Equipment under capital lease	-	7,308	7,308
Current portion of obligation under capital lease	-	1,930	1,930
Obligation under capital lease	-	6,364	6,364
Revenue	527,866	160,076	687,942
Expenditure	485,294	151,124	636,418
Excess of revenue over expenditure	42,572	8,952	51,524

Note 4 Due from Processors and Producers

Amounts due from processors and producers consist of the following:

	<u>1992</u>	<u>1991</u>
Operating:		
Price equalization	\$ 501,076	\$ 503,895
Assessments	54,329	42,491
Quota exchange	349,828	-
Violations	<u>20,215</u>	<u>19,506</u>
	<u>\$ 925,448</u>	<u>\$ 565,892</u>
Trust:		
Canadian Dairy Commission	\$ 843,397	\$ 921,090
Alberta Milk Producers Society	308,152	297,576
Dairy Nutrition Council of Alberta	<u>24,456</u>	<u>24,700</u>
	<u>\$1,176,005</u>	<u>\$1,243,366</u>

Note 5 Capital Assets

	<u>1992</u>			<u>1991</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Communication equipment	\$ 1,073	\$ 238	\$ 835	\$ -
Computer hardware and equipment	15,822	2,357	13,465	-
Office furniture and equipment	5,146	2,373	2,773	3,623
Software development	<u>84,897</u>	<u>10,950</u>	<u>73,947</u>	<u>39,753</u>
	<u>\$ 106,938</u>	<u>\$ 15,918</u>	<u>\$ 91,020</u>	<u>\$ 43,376</u>

Note 6 Equipment Under Capital Lease

	<u>1992</u>			<u>1991</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Office equipment	<u>\$11,690</u>	<u>\$6,590</u>	<u>\$5,100</u>	<u>\$7,308</u>

Note 7 Trust

Under the National Milk Marketing Plan, the Board collects levies from processors on behalf of producers and forwards the levies to the Canadian Dairy Commission (CDC). A portion of the levies collected can be refunded to producers under certain conditions.

The Board has an agreement to collect levies for milk promotion and education on behalf of the Dairy Nutrition Council of Alberta (DNCA) and the Alberta Milk Producers Society (AMPS).

	<u>CDC</u>	<u>AMPS</u>	<u>DNCA</u>	<u>Total</u>
Trust liabilities at beginning of year	\$ 1,266,279	\$ 297,576	\$ 24,798	\$ 1,588,653
Add: 1991-92 levies received	14,206,817	3,295,022	261,504	17,763,343
Levies receivable	<u>843,397</u>	<u>308,152</u>	<u>24,456</u>	<u>1,176,005</u>
	16,316,493	3,900,750	310,758	20,528,001
Less: Levies paid out	<u>15,234,374</u>	<u>3,592,598</u>	<u>286,302</u>	<u>19,113,274</u>
Trust liabilities at end of year	<u>\$ 1,082,119</u>	<u>\$ 308,152</u>	<u>\$ 24,456</u>	<u>\$ 1,414,727</u>

Note 8 Due to Processors and Producers

Amounts due to processors and producers consist of the following:

	<u>1992</u>	<u>1991</u>
Operating:		
Price equalization	\$ 537,002	\$ 537,390
Quota exchange	352,628	284,230
Other	<u>3,850</u>	<u>3,850</u>
	<u>\$ 893,480</u>	<u>\$ 825,470</u>

Note 9 Obligation Under Capital Lease

Future minimum payments

	<u>1992</u>	<u>1991</u>
1992	\$ -	\$1,930
1993	2,405	2,405
1994	2,998	2,998
1995	<u>960</u>	<u>961</u>
	6,363	8,294
Less: Current portion	<u>2,405</u>	<u>1,930</u>
	<u>\$3,958</u>	<u>\$6,364</u>

Note 10 Quota Exchange Reserve

The Quota Exchange Reserve represents surpluses occurring on transfers of quotas and will be used to cover any future transaction deficiencies.

	<u>1992</u>	<u>1991</u>
Reserve at beginning of year	\$14,320	\$ -
Add: Appropriation in current year	<u>452</u>	<u>14,320</u>
Reserve at end of year	<u>\$14,772</u>	<u>\$14,320</u>

Note 11 Administration Costs

In addition to the government contribution which represents 25% of certain administration costs, the General Revenue Fund of the Province of Alberta bears the cost of the following:

Administrative services - legal, audit, personnel, and financial.

Accommodation costs - office space, basic utilities, repairs, maintenance, RITE telephone system, office furniture and certain office equipment.

Note 12 Interest on Cash Deposits and Licence Fee Income

Interest from cash deposits in the Consolidated Cash Investment Trust Fund and licence fee income have been credited directly to the General Revenue Fund of the Province of Alberta.

Note 13 Comparative Figures

The 1991 figures have been reclassified where necessary to conform to 1992 presentation.

Note 14 Approval of Financial Statements

These financial statements were approved by management.

TABLE 1

NUMBER OF PROCESSORS AND DISTRIBUTORS
AS AT MARCH 31, 1992

	1990	1991	1992
Number of Processors "B"	32	30	26
Number of Processor/Distributors "B" Class 1	16	13	8
Number of Distributor Agents/Depots "C"	109	63	69

TABLE 2

FLUID MILK AND CREAM CONSUMPTION IN LITRES
APRIL 1 TO MARCH 31

	MILK	CREAM	TOTAL
1987-88	256,961,614	10,089,428	267,051,042
1988-89	256,286,990	10,260,600	266,547,590
1989-90	261,153,952	10,333,930	271,487,882
1990-91	264,046,128	10,759,823	274,805,951
1991-92	268,167,034	10,646,500	278,813,534

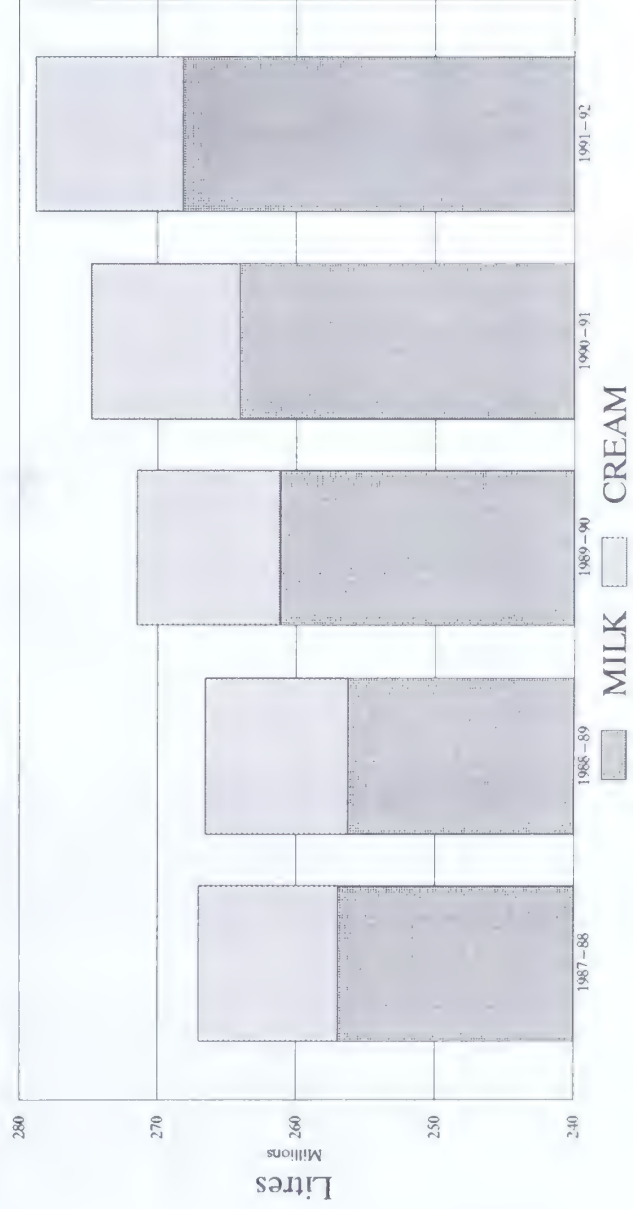


TABLE 3

SALES OF FLUID MILK IN LITRES
APRIL 1, 1991 TO MARCH 31, 1992

	MONTHLY	CUMULATIVE
April	23,207,049	23,207,049
May	23,557,496	46,764,545
June	21,279,731	68,044,276
July	21,526,730	89,571,006
August	22,810,041	112,381,047
September	22,598,187	134,979,234
October	24,704,151	159,683,385
November	23,949,351	183,632,736
December	24,188,559	207,821,295
January	24,709,319	232,530,614
February	22,166,722	254,697,336
March	24,116,198	278,813,534

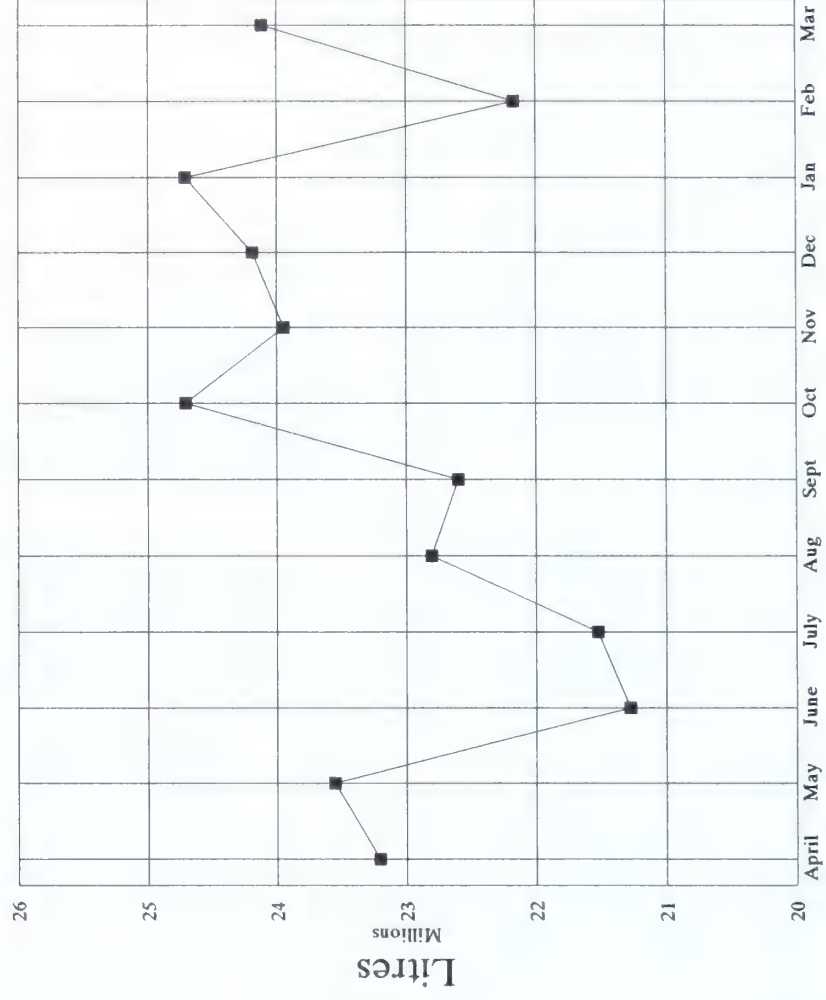


TABLE 4

SALES OF HOMO MILK IN LITRES
APRIL 1, 1991 TO MARCH 31, 1992

	MONTHLY	CUMULATIVE
April	3,798,179	3,798,179
May	3,829,706	7,627,885
June	3,499,006	11,126,891
July	3,574,546	14,701,437
August	3,764,287	18,465,724
September	3,607,782	22,073,506
October	3,913,260	25,986,766
November	3,792,303	29,779,069
December	3,769,884	33,548,953
January	3,964,579	37,513,532
February	3,503,552	41,017,084
March	3,800,717	44,817,801

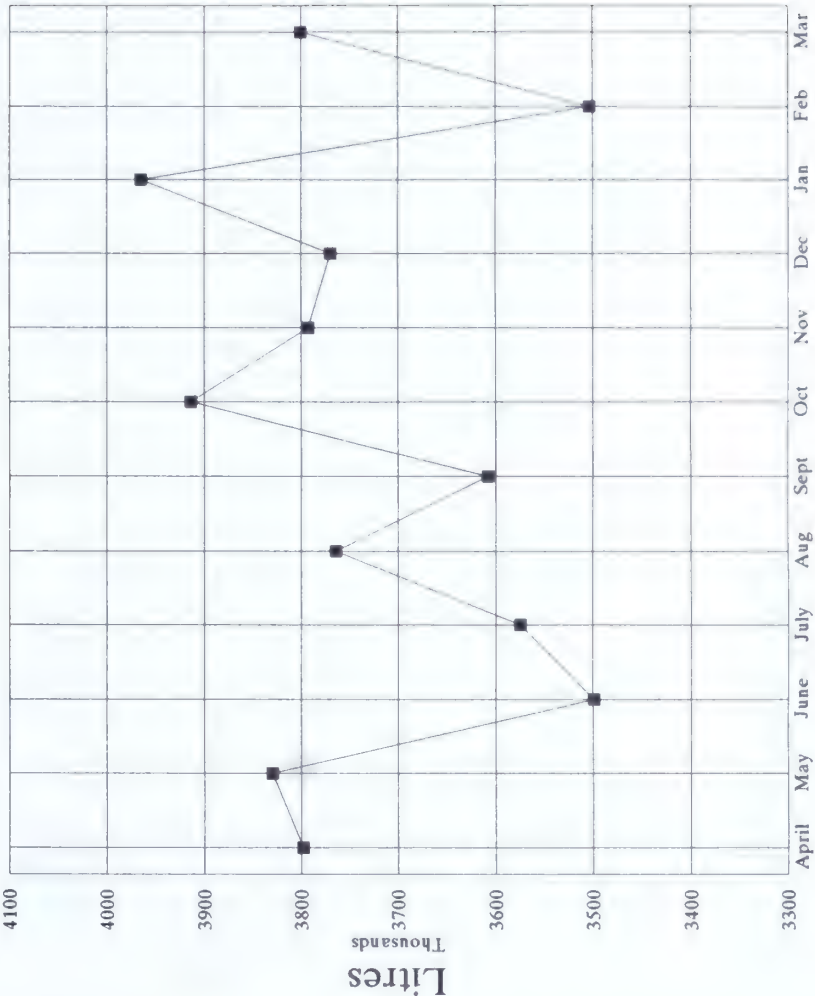


TABLE 5

SALES OF 2% MILK IN LITRES
APRIL 1, 1991 TO MARCH 31, 1992

	MONTHLY	CUMULATIVE
April	11,393,770	11,393,770
May	11,520,074	22,913,844
June	10,302,704	33,216,548
July	10,502,977	43,719,525
August	11,125,223	54,844,748
September	10,991,559	65,836,307
October	11,939,452	77,775,759
November	11,422,625	89,198,384
December	11,254,373	100,452,757
January	12,087,095	112,539,852
February	10,742,734	123,282,586
March	11,624,696	134,907,282

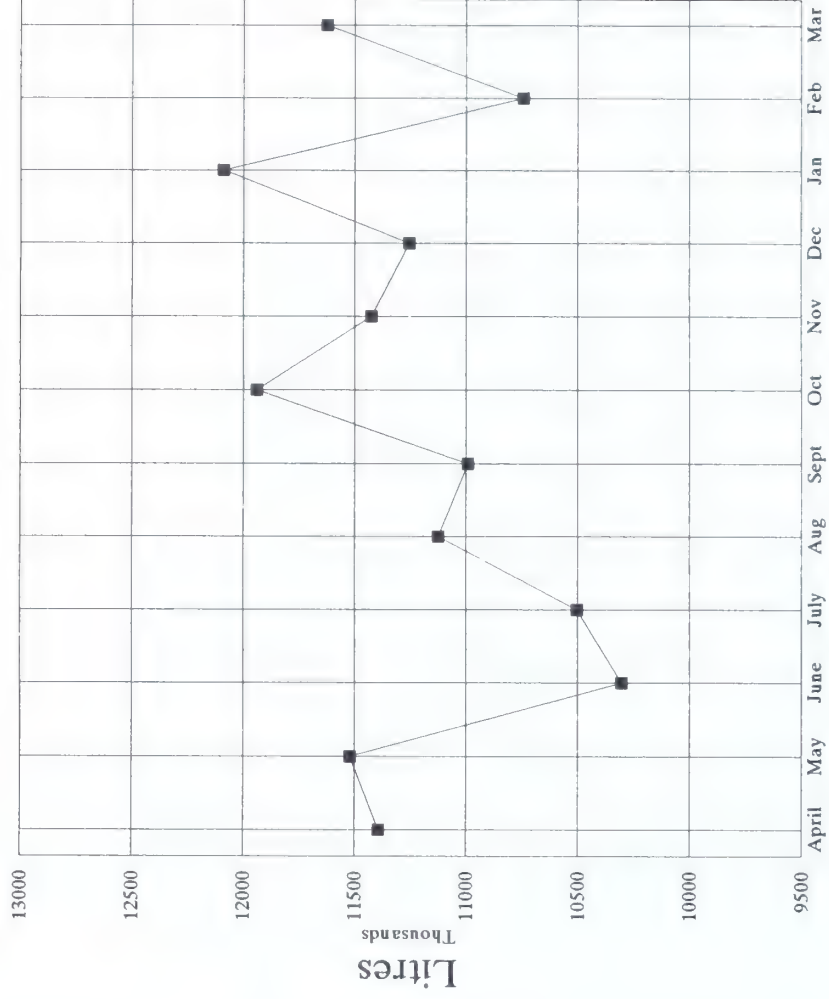


TABLE 6

**SALES OF 1% MILK IN LITRES
APRIL 1, 1991 TO MARCH 31, 1992**

	MONTHLY	CUMULATIVE
April	3,575,335	3,575,335
May	3,671,771	7,247,106
June	3,357,827	10,604,933
July	3,320,098	13,925,031
August	3,547,339	17,472,370
September	3,672,909	21,145,279
October	4,049,672	25,194,951
November	3,899,113	29,094,064
December	3,639,582	32,733,646
January	4,163,738	36,897,384
February	3,737,812	40,635,196
March	4,066,767	44,701,963

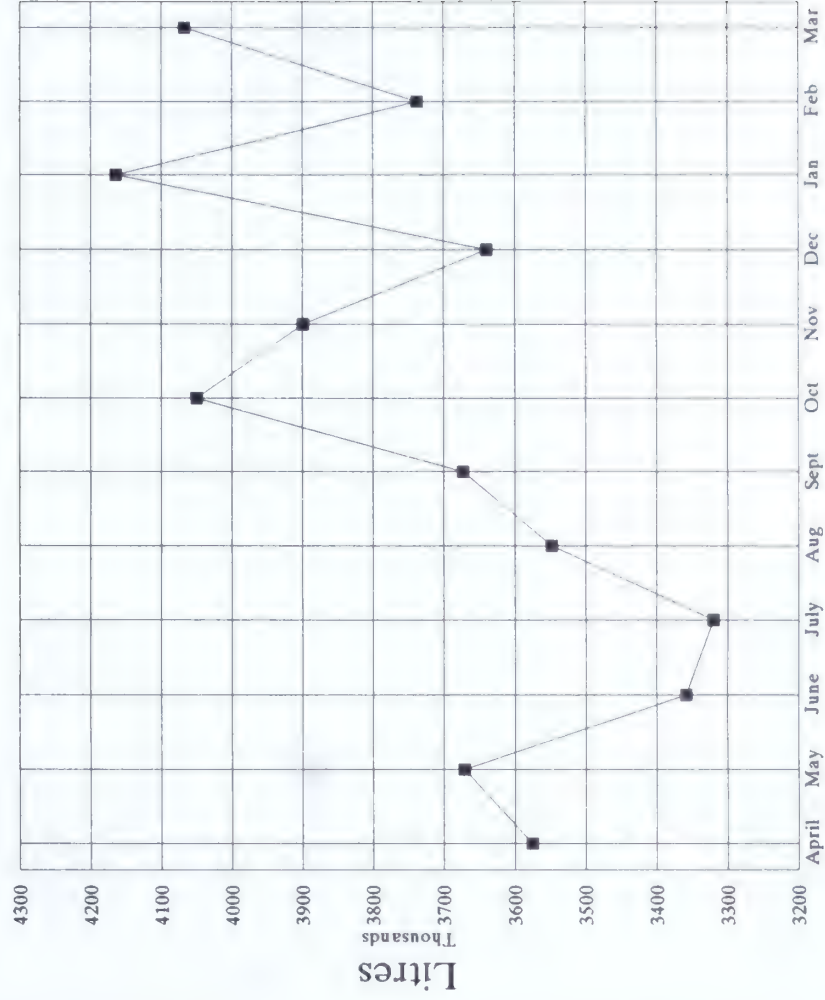


TABLE 7

SALES OF SKIM MILK IN LITRES
APRIL 1, 1991 TO MARCH 31, 1992

	MONTHLY	CUMULATIVE
April	2,221,685	2,221,685
May	2,255,076	4,476,761
June	2,045,613	6,522,374
July	1,973,751	8,496,125
August	2,079,661	10,575,786
September	2,115,972	12,691,758
October	2,292,121	14,983,879
November	2,218,511	17,202,390
December	2,081,077	19,283,467
January	2,341,501	21,624,968
February	2,136,280	23,761,248
March	2,332,088	26,093,336

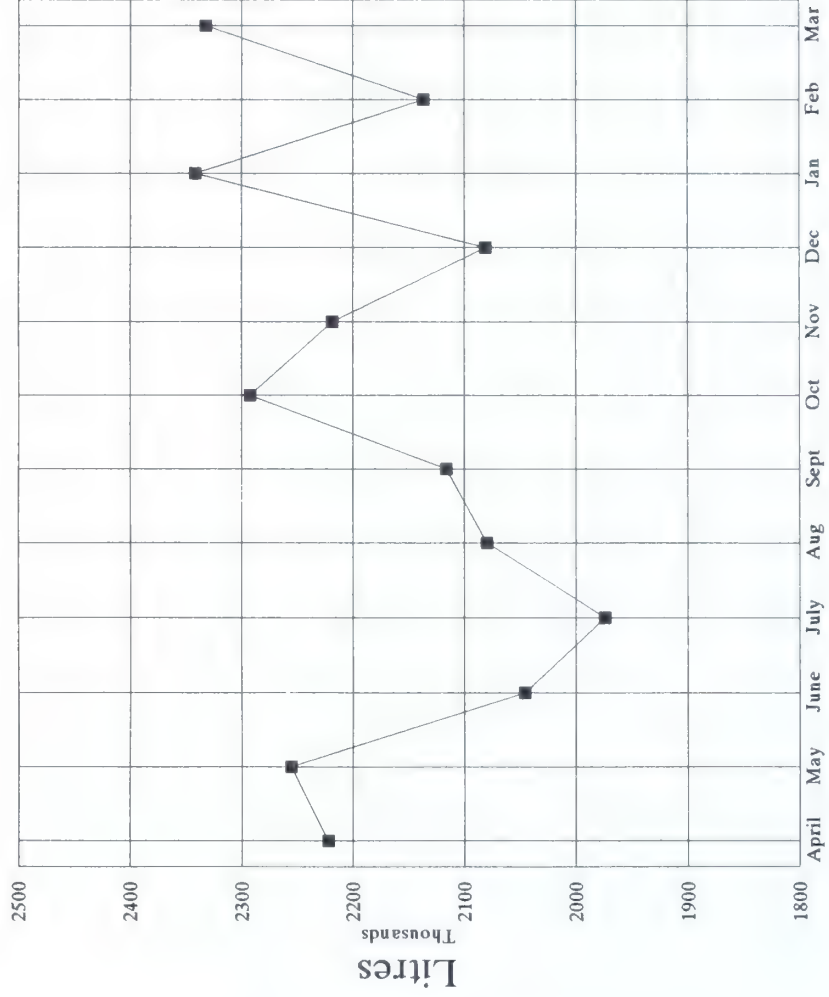


TABLE 8

SALES OF CHOCOLATE MILK IN LITRES
APRIL 1, 1991 TO MARCH 31, 1992

	MONTHLY	CUMULATIVE
April	1,214,570	1,214,570
May	1,202,966	2,417,536
June	1,078,329	3,495,865
July	1,106,125	4,601,990
August	1,187,527	5,789,517
September	1,220,482	7,009,999
October	1,319,614	8,329,613
November	1,251,014	9,580,627
December	1,114,263	10,694,890
January	1,220,690	11,915,580
February	1,129,041	13,044,621
March	1,269,614	14,314,235

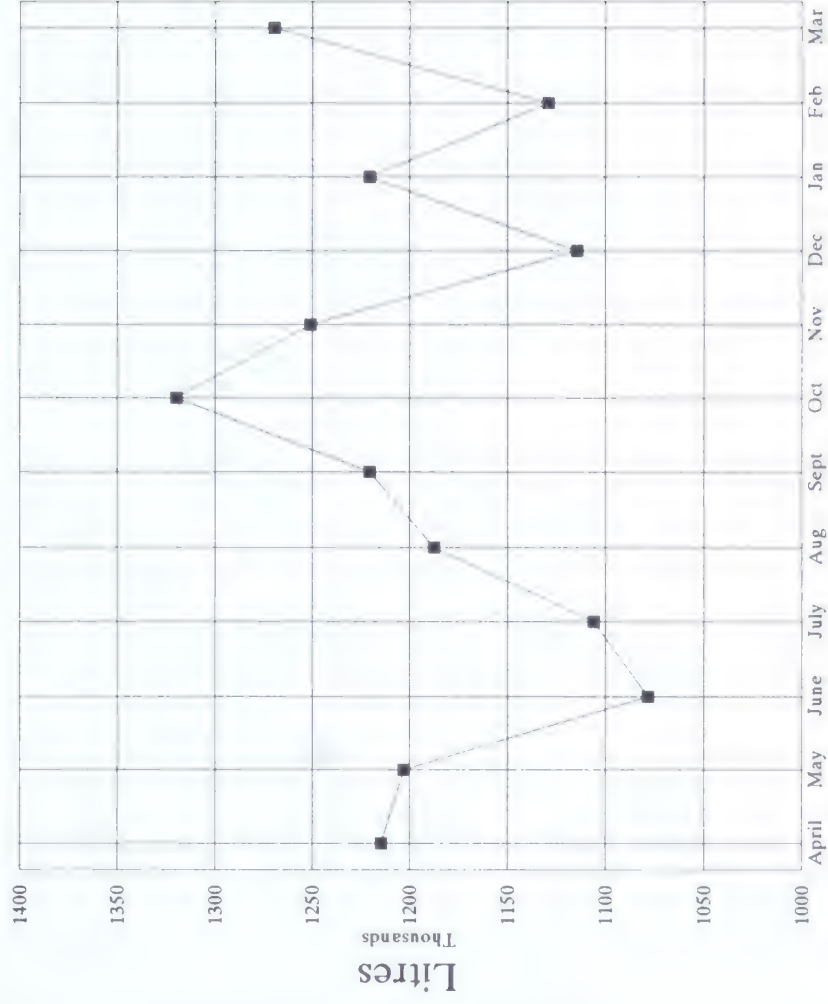


TABLE 11

SALES OF FLUID CREAM IN LITRES
APRIL 1, 1991 TO MARCH 31, 1992

	MONTHLY	CUMULATIVE
April	855,248	855,248
May	923,487	1,778,735
June	846,957	2,625,692
July	888,836	3,514,528
Aug	938,264	4,452,792
Sept	851,041	5,303,833
Oct	964,668	6,268,501
Nov	882,731	7,151,232
Dec	1,015,264	8,166,496
Jan	814,060	8,980,556
Feb	789,286	9,769,842
Mar	876,658	10,646,500

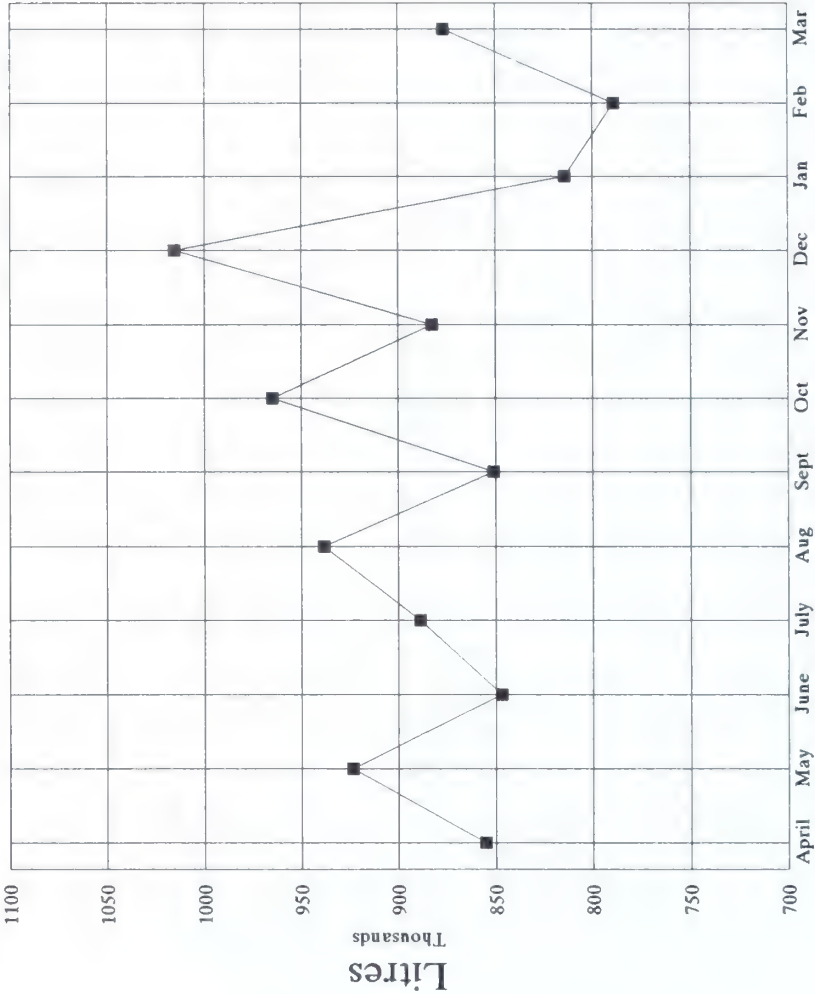


TABLE 12

TOTAL SALES OF MILK AND CREAM IN LITRES BY SIZE OF CONTAINERS
APRIL 1, 1991 TO MARCH 31, 1992

	FLUID MILK PRODUCTS	% OF TOTAL	CREAM	% OF TOTAL	TOTAL ALL PRODUCTS	% OF TOTAL
20 LITRES	7,471,720	2.79%	347,670	3.27%	7,819,390	2.80%
4 LITRE – PURE PAK*	15,192,796	5.67%	0	0.00%	15,192,796	5.45%
4 LITRE – OTHER **	25,851,852	9.64%	0	0.00%	25,851,852	9.27%
2 LITRE – PURE PAK	168,033,558	62.66%	0	0.00%	168,033,558	60.27%
2 LITRE – OTHER	10,516,950	3.92%	0	0.00%	10,516,950	3.77%
1 LITRE – PURE PAK	26,245,614	9.79%	3,181,120	29.88%	29,426,734	10.55%
1 LITRE – OTHER	1,092,885	0.41%	88,552	0.83%	1,181,437	0.42%
500 ML	6,736,101	2.51%	3,162,707	29.71%	9,898,808	3.55%
250 ML	6,697,338	2.50%	850,422	7.99%	7,547,760	2.71%
125 ML	293,231	0.11%	0	0.00%	293,231	0.11%
PORTION CUP	34,989	0.01%	3,016,029	28.33%	3,051,018	1.09%
TOTAL LITRES	268,167,034	100.00%	10,646,500	100.00%	278,813,534	100.00%

* Cardboard Cartons

** Plastic Jugs and Pouches

TABLE 15

CLASS I UTILIZATION PERCENTAGE OF QUOTA MILK
APRIL 1, 1992 TO MARCH 31, 1992

	CLASS I UTILIZATION 1991-92	% MONTHLY UTILIZATION	% YEAR-TO- DATE
April	22,747,653	78.16	78.16
May	23,028,254	76.52	77.33
June	20,829,030	71.40	75.37
July	21,055,822	69.89	73.98
August	22,183,436	74.66	74.11
September	22,276,223	75.40	74.33
October	24,109,399	80.48	75.22
November	23,255,226	80.04	75.81
December	23,051,636	76.58	75.90
January	24,244,849	80.50	76.36
February	21,808,685	77.27	76.44
March	23,682,114	78.54	76.62
TOTAL	272,272,327		

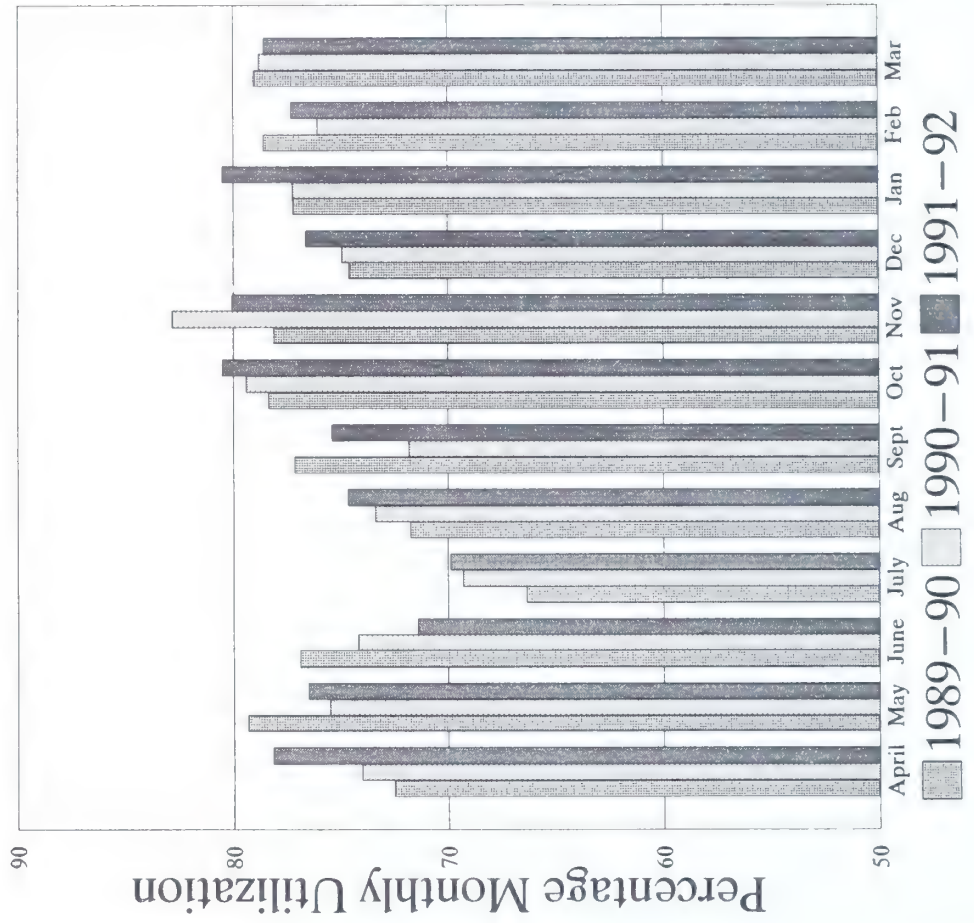


TABLE 16

UTILIZATION OF QUALIFYING MILK BY CLASS
APRIL 1 TO MARCH 31

	1989-90		1990-91		1991-92	
	LITRES	PERCENTAGE	LITRES	PERCENTAGE	LITRES	PERCENTAGE
CLASS I	265,758,622	46.3%	267,615,641	45.5%	272,272,327	47.6%
CLASS II	60,099,384	10.5%	60,772,130	10.3%	55,701,119	9.7%
CLASS IIIA	43,350,726	7.6%	53,608,511	9.1%	43,594,351	7.6%
CLASS IIIB	90,273,401	15.7%	73,128,243	12.4%	74,728,351	13.1%
CLASS IIIC	114,323,232	19.9%	132,657,840	22.6%	125,637,159	22.0%
CLASS IV	0	0.0%	0	0.0%	0	0.0%
TOTAL	573,805,365	100.0%	587,782,365	100.0%	571,933,307	100.0%

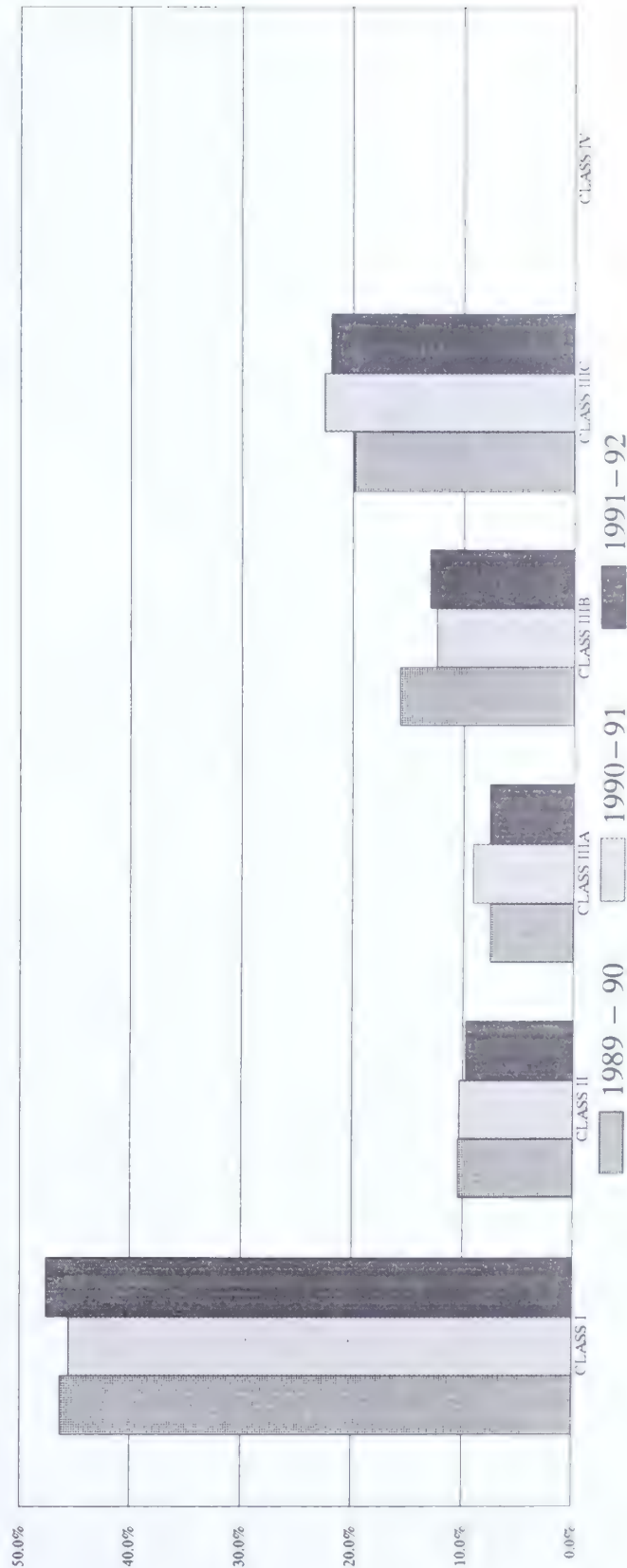


TABLE 17

MILK AND CREAM PRODUCERS AND PRODUCTION
APRIL 1 TO MARCH 31

	1989-90	1990-91	1991-92
Number of Milk Producers	1,442	1,402	1,333
Number of Cream Producers	473	396	307
Milk Production (litres)	573,805,365	587,782,365	571,933,307
Cream Production (kilograms)	448,035	367,679	291,026
Average Daily Shipment per Milk Producer (litres)	1,090	1,149	1,172

TABLE 18
PROVINCIAL AVERAGE BUTTERFAT TESTS

	1989-90	1990-91	1991-92
April	3.658423	3.651828	3.666169
May	3.589688	3.612525	3.605734
June	3.483537	3.513869	3.517454
July	3.480228	3.500814	3.515340
August	3.518339	3.516848	3.520501
September	3.679142	3.646401	3.640866
October	3.786594	3.812717	3.777722
November	3.828489	3.857346	3.836385
December	3.811055	3.813329	3.813826
January	3.714744	3.787952	3.748909
February	3.712572	3.693692	3.713799
March	3.664236	3.676044	3.676383

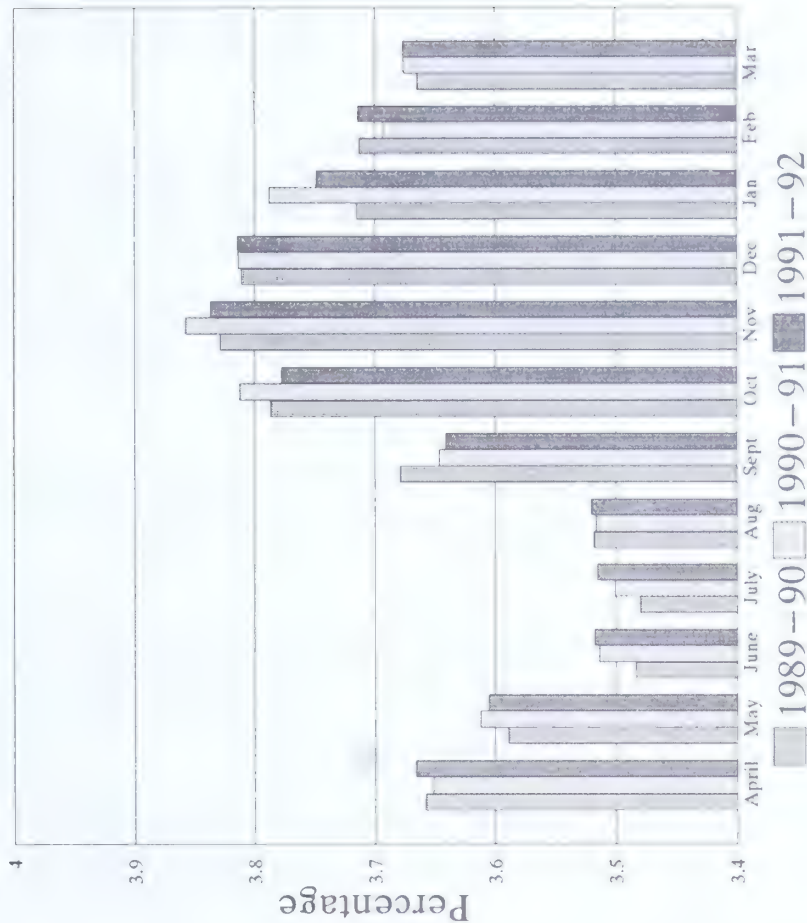


TABLE 19

UNUSED MARKET SHARE QUOTA EXCHANGE

	1988-89		1989-90		1990-91		1991-92	
	\$/KG	KG SOLD	\$/KG	KG SOLD	\$/KG	KG SOLD	\$/KG	KG SOLD
April	21.00	19,399	16.00	21,745	13.00	18,302	22.50	21,532
May	22.00	16,216	15.50	35,913	13.00	48,349	22.50	25,299
June	21.00	16,245	14.75	35,289	13.00	64,951	22.50	32,174
July	20.00	22,852	14.00	42,806	14.00	36,750	22.50	24,552
August	*	*	*	*	*	*	*	*
September	*	*	*	*	*	*	18.00	2,349
October	15.00	897	10.00	3,147	11.00	5,146	16.00	3,722
November	16.00	7,164	9.50	4,124	10.00	7,890	16.00	7,389
December	15.00	4,593	7.50	5,355	11.00	16,709	16.00	5,415
January	15.00	4,648	9.00	9,013	13.00	5,508	18.00	10,068
February	14.75	19,345	10.00	13,479	15.00	10,658	20.00	8,039
March	15.00	23,009	11.00	19,256	20.00	7,527	21.00	15,478
WEIGHTED AVERAGE	\$18.30		\$13.48		\$13.20		\$21.18	
TOTAL SOLD		134,368		190,127		221,790		156,017

* No exchange held for unused MSQ

TABLE 20

USED MARKET SHARE QUOTA EXCHANGE

	1988-89		1989-90		1990-91		1991-92	
	\$/KG	KG SOLD	\$/KG	KG SOLD	\$/KG	KG SOLD	\$/KG	KG SOLD
April	14.00	4,876	8.50	9,256	8.00	10,399	12.00	7,604
May	15.00	4,226	9.00	12,025	10.00	4,533	12.00	9,005
June	15.00	1,651	9.00	10,566	10.50	10,800	12.00	8,666
July	15.00	7,220	9.00	10,478	10.00	15,512	15.00	3,062
August	*	*	*	*	*	*	*	*
September	*	*	*	*	*	*	10.00	162
October	12.00	1,000	6.00	124	8.00	585	8.00	1,585
November	11.00	1,454	5.50	1,691	3.00	597	10.00	880
December	10.00	1,657	5.50	1,572	5.00	5,729	10.00	2,498
January	10.00	3,736	4.00	0	5.00	119	8.00	4,070
February	9.00	3,235	6.00	1,952	5.00	537	10.00	1,992
March	8.50	7,353	8.00	1,745	10.00	1,597	10.00	3,224
WEIGHTED AVERAGE	\$12.04		\$8.51		\$8.96		\$11.28	
TOTAL SOLD		36,408		49,409		50,408		42,748

* No exchange held for used MSQ

TABLE 21

FLUID QUOTA EXCHANGE

	1990-91		1991-92		
	\$/LITRE	LITRES SOLD	\$/LITRE	LITRES SOLD	
April	(a)		290.00	535	(a)
May	(a)		(c)		
June	(a)		260.00	410	(b)
July	(a)		250.00	600	
August	220.00	525	(d)		(c)
September	220.00	790	275.00	605	
October	220.00	2,150	300.00	1,010	(d)
November	220.00	2,310	300.00	1,600	
December	(b)		280.00	1,590	
January	240.00	565	270.00	1,590	
February	240.00	1,000	260.00	1,135	
March	255.00	475	(d)		
WEIGHTED AVERAGE	\$226.13		\$278.87		
TOTAL SOLD		7,815		9,075	

Notes

(a) There was no Fluid Quota Exchange in operation prior to August 1990.

(b) A Fluid Exchange did not take place as there was not enough fluid quota available to allocate at least 5 litres to each buyer.

(c) A Fluid Exchange did not take place as the volume offered exceeded the volume bid for.

(d) A Fluid Exchange did not take place as there was no fluid offered for sale.

TABLE 22

MILK PRICES: CLASS I, II, III, QUOTA AND OVER—QUOTA

1990—91

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
CLASS I	53.03	53.98	54.01	54.01	54.01	54.01	54.01	54.01	54.01	54.01	54.01	54.56
CLASS II	42.75	42.75	42.75	42.75	44.24	44.24	44.24	44.24	44.24	44.24	44.24	44.24
CLASS IIIA	40.95	40.95	40.95	40.95	42.74	42.74	42.74	42.74	42.74	42.74	42.74	42.74
CLASS IIIB	40.95	40.95	40.95	40.95	42.19	42.19	42.19	42.19	42.19	42.19	42.19	42.19
CLASS IIIC	40.95	40.95	40.95	40.95	42.09	42.09	42.09	42.09	42.09	42.09	42.09	42.09
QUOTA	49.93	50.84	50.68	50.07	50.95	50.78	51.69	51.98	51.14	51.41	51.24	51.97
OVER—QUOTA	41.24	41.24	41.22	41.25	42.51	42.67	42.76	42.55	42.65	42.67	42.55	42.52

1991—92

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
CLASS I	54.99	54.99	54.99	54.99	54.99	54.99	54.99	54.99	54.99	54.45	54.01	54.01
CLASS II	44.24	44.24	44.24	44.24	44.24	45.47	45.47	45.47	45.47	45.47	45.47	45.47
CLASS IIIA	42.74	42.74	42.74	42.74	42.74	43.97	43.97	43.97	43.97	43.97	43.97	43.97
CLASS IIIB	42.19	42.19	42.19	42.19	42.19	43.42	43.42	43.42	43.42	43.42	43.42	43.42
CLASS IIIC	42.09	42.09	42.09	42.09	42.09	43.32	43.32	43.32	43.32	43.32	43.32	43.32
QUOTA	52.23	52.04	51.39	51.24	51.83	52.22	52.78	52.70	52.29	52.35	51.64	51.77
OVER—QUOTA	42.49	42.52	42.58	42.56	42.59	43.84	43.87	43.86	43.74	43.77	43.81	43.77

